

**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2020**

YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the
Board of Management for Yonge and St. Clair Business Improvement Area

Opinion

I have audited the financial statements of Yonge and St. Clair Business Improvement Area (the BIA), which comprise the statement of financial position as at December 31, 2020, statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2020 and its results of operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the BIA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BIA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BIA's financial reporting process.

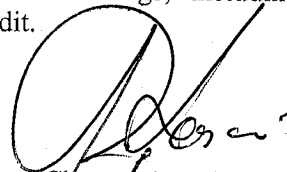
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BIA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BIA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the BIA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario
June 24, 2021


Chartered Professional Accountant
Licensed Public Accountant

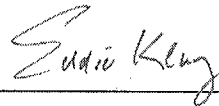
**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	298,449	42,572
Short-term investments (Note 3)	303,427	303,460
Accounts receivable		
City of Toronto- Special charges (Note 4)	80,981	46,283
Other	37,495	51,802
	<u>720,352</u>	<u>444,117</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	40,598	-
Other	3,184	22,968
	<u>43,782</u>	<u>22,968</u>
NET FINANCIAL ASSETS	676,570	421,149
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	<u>49,612</u>	<u>36,768</u>
ACCUMULATED SURPLUS	<u>726,182</u>	<u>457,917</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020 \$ Budget (Note 10)	2020 \$ Actual	2019 \$ Actual
REVENUE			
City of Toronto – special charges	539,415	539,415	519,102
Sponsorships, grants and other revenue	-	15,383	83,950
	<u>539,415</u>	<u>554,798</u>	<u>603,052</u>
EXPENSES			
Administration	184,954	164,613	139,109
Promotion and advertising	115,150	56,042	136,243
Maintenance	69,000	47,895	58,504
Capital (Note 8)	288,033	-	-
Amortization	-	27,754	19,634
Provision for uncollected special charges (Note 4)	49,038	(9,771)	16,872
	<u>706,175</u>	<u>286,533</u>	<u>370,362</u>
SURPLUS (DEFICIT) FOR THE YEAR	(166,760)	268,265	232,690
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>457,917</u>	<u>457,917</u>	<u>225,227</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>291,157</u>	<u>726,182</u>	<u>457,917</u>

**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
	\$	\$
Surplus for the year	268,265	232,690
Acquisition of tangible capital assets	(40,598)	(34,367)
Amortization of tangible capital assets	27,754	19,634
	255,421	217,957
Balance - Beginning of year	421,149	203,192
Balance - End of year	<u>676,570</u>	<u>421,149</u>

**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
	\$	\$
Cash flows from operating activities		
Surplus for the year	268,265	232,690
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	27,754	19,634
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(34,698)	(46,283)
Accounts receivable – other	14,307	(35,464)
Accounts payable - City of Toronto	40,598	(20,547)
Accounts payable – other	(19,784)	14,864
Cash Provided By Operations	296,442	164,894
Investing Activities		
Purchase of tangible capital assets	(40,598)	(34,367)
(Increase) decrease in short-term investment	33	(152,460)
Cash, Beginning of Year	42,572	64,505
Cash, End of Year	298,449	42,572

**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. ESTABLISHMENT AND OPERATIONS

Yonge and St. Clair Business Improvement Area ("the BIA") is established as a Business Improvement Area under the management and control of a Board of Management appointed by Council of the City of Toronto.

The BIA is entrusted with the improvements, beautification and maintenance of municipally owned lands, buildings and structures in the area, together with the promotion of the area as a business or shopping area. Funding is provided by property owners of the BIA who are levied a special charge based on an annual operating budget prepared by the BIA and approved by Council under Section 220(17) of the Municipal Act, as amended.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), the most significant of which are as follows:

Revenue recognition:

The BIA receives special charges from its members which are levied and collected by the City of Toronto. It also receives cash donations and sponsorships from corporate and private donors and grants from local, provincial and federal governments for events and festivals. Revenue is being recorded upon the signing of contracts and when collection can be reasonably ascertained.

Short-term Investments:

Short-term investments are highly liquid financial instruments with original maturities greater than three months but less than one year and are classified as "short-term" investments. BIA classifies short-term investments as current assets and reports them at their fair market value.

Capital assets:

Purchased capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Planters	5 years	Tunnel of Glam	3 years
Pole Wraps	5 years	Banners	3 years
Computers	3 years		

Contributed services:

Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

Financial instruments:

Financial instruments are recorded at the approximated fair value.

**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2020**

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of estimates:

The preparation of these financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include determining the useful lives of tangible capital assets for amortization, the allowance for uncollectible levies and accounts receivable and contingent liabilities. Actual results could differ from management's best estimates, as additional information becomes available in the future.

3. SHORT-TERM INVESTMENTS

Short-term investments consist of guaranteed investment certificates with the Royal Bank of Canada. These investments bear interest at the rates ranging from 0.95% to 1.45% per annum and will be maturing in 2021.

4. CITY OF TORONTO – SPECIAL CHARGES

Special charges levied by the City are collected and remitted to the BIA by the City. The total special charges outstanding consist of amounts collected by the City not yet remitted to the BIA and amounts uncollected by the City.

The BIA records special charges receivable net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	2020	2019
	\$	\$
Total levy outstanding	134,781	114,783
Less: Allowance for uncollected levy	<u>(53,800)</u>	<u>(68,500)</u>
Levy receivable (payable)	<u>80,981</u>	<u>46,283</u>

The provision for uncollected levies reported on the Statement of Operations and Accumulated Surplus comprises:

	2020	2019
	\$	\$
Levy written-off	4,929	6,872
Change in provision for uncollected levy	<u>(14,700)</u>	<u>10,000</u>
	<u>(9,771)</u>	<u>16,872</u>

**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2020**

CITY OF TORONTO – SPECIAL CHARGES (CONT'D)

As at December 31, 2020 the total BIA levy under appeal was \$323,257. Based on the appeal assessment results of the previous five year of the BIA, the Revenue Services Division of the City of Toronto (the City) has estimated that the BIA may lose \$68,500. Accordingly, this amount has been recorded as provision in these financial statements. Annually, the City will be adjusting the provision based on the BIA levy under appeal at year end. Any adjustment to the provision will be reflected in the financial statements as and when required.

5. CAPITAL ASSETS

	2020					
	Pole Wraps	Banners	Tunnel Of Glam	Compu- ters	Planters	Total
Cost						
Balance, beginning of year	-	12,446	35,340	2,598	14,196	64,580
Additions	40,598					40,598
Balance, end of year	40,598	12,446	35,340	2,598	14,196	105,178
Accumulated Amortization						
Balance, beginning of year	-	4,149	16,780	1,205	5,678	27,812
Amortization	8,120	4,149	11,780	866	2,839	27,754
Balance, end of year	8,120	8,298	28,560	2,071	8,517	55,566
Net Book Value	32,478	4,148	6,780	527	5,679	49,612
	2019					
	Pole Wraps	Banners	Tunnel of Glam	Compu- ters	Planters	Total
Cost						
Balance, beginning of year	-	-	15,000	1,017	14,196	30,213
Additions	-	12,446	20,340	1,581		34,367
Balance, end of year	-	12,446	35,340	2,598	14,196	64,580
Accumulated Amortization						
Balance, beginning of year	-	-	5,000	339	2,839	8,178
Amortization	-	4,149	11,780	866	2,839	19,634
Balance, end of year	-	4,149	16,780	1,205	5,678	27,812
Net Book Value	-	8,297	18,560	1,393	8,518	36,768

**THE BOARD OF MANAGEMENT FOR
YONGE AND ST. CLAIR BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2020**

6. INSURANCE

The BIA is required to deposit with the Treasurer, City of Toronto, insurance policies indemnifying the City against public liability and property damage in respect of the activities of the BIA. Insurance coverage providing \$5,000,000 for each occurrence or accident has been obtained by the BIA through the City of Toronto.

7. FINANCIAL INSTRUMENTS

The carrying value of the BIA's financial instruments approximates their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these instruments are short-term investments the risk is minimal.

8. CAPITAL EXPENSES

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as surplus. Once adequate funds have accumulated, the BIA undertakes cost-shared Capital Improvement projects with the City for this reason the actual expenses in a given year could significantly differ from the amount budgeted for the year. Any excess actual capital expenses are financed out of the accumulated surplus.

9. COMMITMENTS

The BIA, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed, subsequent to the year of Council's approval. The BIA is committed to capital improvement projects of which the BIA's share of \$9,616 (2019 - \$nil) was outstanding as at December 31, 2020.

10. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.